

## The 2014-15 May Revision

For the second year in a row, the passage of Proposition 30 and improvements in the economy overall have enabled reinvestment in education and other critical services across California. Despite this positive movement forward, we continue to need to advocate for additional revenue sources for our schools and other critical services in the months and years to come.

The May Revision reflects an increase in state revenues forecast at \$2.4 billion and continues to include \$10 billion in new Proposition 98 resources for education. Proposition 98 is at \$60.9 billion for 2014-15, up from a revised level of \$58.3 in 2013-14. Significant changes from the Governor’s January Budget include a reduction in the COLA to 0.85% and some additional adjustments to categorical programs. The Governor also laid out a plan to fully fund CalSTRS and the details of a Rainy Day Fund proposal that would go before voters in November, 2014.

Given the even higher revenue projections released by the Legislative Analyst’s Office, there may be additional funds allocated through the remainder of the budget process. The proposal to fund CalSTRS is also under intense discussion and may be adjusted before being finalized by the legislature. Stay posted for budget developments over the next several weeks with a final budget expected at the end of June.

### Child Care and Development

2014-15 May Revise	
CalWORKs	Stage 2: Total base cost \$348.5 million Stage 3: Total base cost \$216.1 million
State Preschool	Increase of \$356,000 Proposition 98 General Fund to reflect an increase of 0-4 year olds in the population.
Child Care and Development Funds	Net increase of \$24.4 million in federal funds.

### K–12 Education

2014-15 May Revise	
COLA	Statutory COLA is 0.85%
Local Control Funding Formula (LCFF)	\$4.5 billion for LCFF. This is equal to 28.06% of the LCFF “gap.”
Class Size Reduction (CSR)	Under LCFF districts that are moving toward or already meeting a ratio of 1:24 in K-3 will receive an adjustment to their LCFF base grant of up to 10.4%.
Career Technical Education (CTE)	Under LCFF districts that have certain CTE classes in 9-12 will receive an adjustment to their LCFF base grant of 2.6%.
Categorical Funding	Remaining categorical programs under LCFF are subject to the 0.85% COLA.
Common Core State Standards (CCSS) and Smarter Balance	\$26.7 million in one-time funds for a K-12 High Speed Network to provide technical assistance and grants for CCSS implementation.
Proposition 39 (Energy Efficiency)	\$307 million for energy efficiency projects in K-12 schools.

Facilities	Transfer of \$211 million of remaining School Facility Program bond authority from specialized programs to core new construction and modernization programs.  \$188.1 million of one-time dollars to the Emergency Repair Program.
Deferrals	Repayment of all K-14 deferrals (\$6.2 billion).
County Offices of Education (COEs)	The new funding formula for COEs under LCFF will be fully implemented by the end of 2014-15.
Mandates	5 new mandates added to K-12 block grant: Developer Fees, Parental Involvement Programs, and <i>Williams</i> Case implementation I, II, III.
Basic Aid Districts	Basic Aid Districts that continue to have higher local property tax revenue than their LCFF allocation will remain basic aid.
Charter Schools	Charter Schools are also funded under LCFF and the new LCFF formula.
Special Education	0.85% COLA. No additional changes for Special Education.
ROC/Ps	No changes proposed for ROC/Ps. The maintenance of effort requirement remains in place through June 30, 2015.
Independent Study	Governor proposes changes to independent study including eliminating the requirement of weekly meetings between certificated teachers and students; allowing schools to offer site-based blended learning; and fund participating students on the basis of ADA.

## Adult Education

### 2014-15 May Revise

AB 86 (Consortium Planning Process)	No new funding in 2014-15. Adult education consortia plans are slated for completion by early 2015. The Governor has stated an intention to make an investment in the 2015-16 Budget for adult education.
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## Community College

### 2014-15 May Revise

COLA	Statutory COLA of 0.85% is funded.
Growth	Growth funded at 2.75%.
Deferrals	Repayment of all K-14 deferrals (\$6.2 billion).
Proposition 39 (Energy Efficiency)	\$37.5 million for energy efficiency projects in Community College Districts.
Categorical Programs	Additional \$100 million for continued expansion of Student Success and Support program.  \$100 million to close the achievement gap in underrepresented student groups and better coordinate delivery of categoricals.  \$1.1 million for additional staffing for the Chancellor's Office.  \$2.5 million for technical assistance.  \$6 million for technological infrastructure (\$1.4 million in one-time and \$4.6 ongoing)  \$50 million in one-time funds for Career Technical Education.

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Facilities/Equipment	\$148 million in one-time funds for deferred maintenance. No district match is required.
Innovation Incentive	\$50 million for a higher education innovation incentive award program for UC, CSU, and CCC.

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## University of California

### 2014-15 May Revise

General Fund Increase	Ongoing increase of \$142.2 million in General Fund support conditioned upon tuition remaining flat.
Innovation Incentive	\$50 million for a higher education innovation incentive award program for UC, CSU, and CCC.

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## CalSTRS

### 2014-15 May Revise

CalSTRS	The Governor has laid out a proposal that would fully fund CalSTRS over the next 30 years. The estimated shortfall is \$74.4 billion.
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